

Edwards,Michelle

From: Ennis,Charles
Sent: Thursday, August 03, 2017 11:38 AM
To: Nasser,Karrum
Cc: Edwards,Michelle; Bennett,Duke A
Subject: FW: Sanitary Bond Issuance

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AUG 03 2017

CITY CLERK

From: Ennis,Charles
Sent: Wednesday, August 2, 2017 3:40 PM
To: Bennett,Duke A
Subject: RE: Sanitary Bond Issuance

Karrum,

The Bond discussed at yesterday's San. Bd. Meeting has a maximum amount of \$85 million. We can certainly borrow less when the time comes. It will be broken into two series. The first series will pay for the design and soft costs and the second series will pay for the construction. We will have a better estimate of actual construction costs after the design is done.

The \$40 million number was a figure that came from the original LTCP submitted in 2011. The scope of the second phase has grown and the configuration of the main lift has changed since 2011. Additionally, the preliminary engineering has started and the estimates for the costs are better than they were in 2011.

On principle, we don't want to borrow any more money than we have to. But, let's say that we didn't spend all of the money that we borrowed. The unspent bond proceeds would have to be spent on the next phase of the LTCP which is scheduled to begin in 2019. Actually, this occurred after the first phase of the LTCP. We spent that money on the preliminary design of the second phase.

As an aside, our primary obligation in the LTCP is to spend a certain amount of money limiting the discharge of combined sewage into the Wabash River. Once we reach that amount of spending we can re-open the plan and renegotiate the terms. Hopefully, that renegotiation would reduce the work to be done in the future because we had spent the money we committed to spend. There are no hard and fast rules on these negotiations be we would certainly be able to argue that The City has met a huge part of its original commitment.

Charles W. (Chuck) Ennis, P.E., S.E.

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From: Nasser,Karrum
Sent: Wednesday, August 2, 2017 2:02 PM
To: Bennett,Duke A

Cc: Ennis,Charles; Edwards,Michelle
Subject: Sanitary Bond Issuance

Mayor or Chuck

Could you explain why bond issuance for next phase of LTCP was for 85 million on Tuesday's sanitary board meeting when council was told project was 40 million in November when we voted for sewer rate increase?

Thanks

Karrum Nasser
Terre Haute City Councilman District 3
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